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WRITER'S DIRECT INFORMATION:

March 29, 2007

VIA ECF AND UPS

Honorable Dennis M. Cavanaugh, U.S.D.J.
United States District Court
For the District of New Jersey
451 U.S. Post Office Courthouse Building
Federal Square
P.O. Box 999
Newark, New Jersey 07101-0999

**Re: Merrill Lynch Business Financial Services Inc.
vs. Arthur Kupperman, et al.
Civil Action No: 06-CIV-4802 (DMC)**

Dear Judge Cavanaugh:

We represent Merrill Lynch Business Financial Services Inc. ("MLBFS"), the Plaintiff in the referenced matter. We write in response to letters from Vincent F. Papalia, Esq. dated March 27, 2007 and from James A. Scarpone, Esq. dated March 25, 2007 requesting a settlement conference.

Hon. Dennis M. Cavanaugh, U.S.D.J.

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As Your Honor is aware, each of the individual defendants (Arthur Kupperman, Paulette Krelman, and E. Ross Browne) provided to MLBFS unconditional personal guaranties of the indebtedness of PITTRA G.B. International, Inc. ("PITTRA"). There is no genuine issue regarding their liability or the amounts due on those guaranties, and the Court has under advisement our motion for summary judgment.

Mr. Papalia, on behalf of Defendant Browne, complains that his efforts to settle the case have not been successful.

Mr. Scarpone writes on behalf of the bankruptcy trustee of PITTRA, joining in Mr. Papalia's request for a settlement conference. However, the trustee is not a party to this action, and MLBFS' guaranty claims against the individual defendants are not impacted by the PITTRA bankruptcy. Cf. Maritime Electric Co. v. United Jersey Bank, 959 F.2d 1194 at 1205 (3d Cir. 1992); In re Desa Holdings Corp., 353 B.R. 419 at 425 (Bankr. D. Del. 2006).

MLBFS submits that no purpose would be served by a settlement conference. The parties are capable of discussing settlement amongst themselves, if, as, and when they determine it appropriate to do so.

Respectfully,



George R. Hirsch

GRH\msk

cc: Frederick B. Polak, Esq. (via electronic and first-class mail)
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